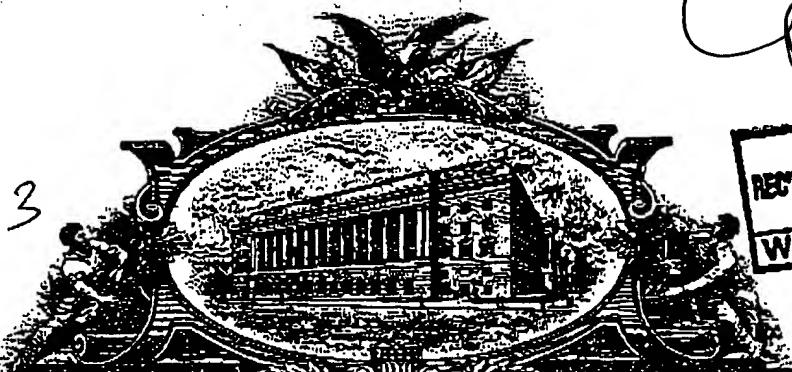


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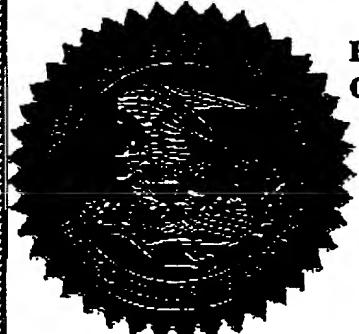
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**APPLICATION NUMBER: 60/097,932  
FILING DATE: August 25, 1998  
PCT APPLICATION NUMBER: PCT/US99/18879**

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## **PROVISIONAL APPLICATION FOR PATENT COVER SHEET**

(A PROVISIONAL APPLICATION FOR PATENT under 37 CFR 1.52(e))

*ALPRO*

INVENTOR(S)					
Given Name (first and middle (if any))	Family Name or Surname	Residence (City and either State or Foreign Country)			
Matthew G.	Pallakoff	Mountain View, CA			
<input type="checkbox"/> Additional inventors are being named on the _____ separately numbered sheets attached hereto					
TITLE OF THE INVENTION (200 characters max)					
System designed to facilitate team buying.					
Direct all correspondence to:		CORRESPONDENCE ADDRESS			
<input type="checkbox"/> Customer Number	<input type="text"/>	<input type="checkbox"/> Place Customer Number Bar Code Label here			
OR					
<input checked="" type="checkbox"/> Firm or Individual Name	Matt Pallakoff				
Address	456 Mountain Laurel Ct.				
Address					
City	Mountain View	State	CA	Zip	94043
Country	USA	Telephone	650-965-3477	Fax	650-428-1784
ENCLOSED APPLICATION PARTS (check all that apply)					
<input checked="" type="checkbox"/> Specification Number of Pages	<input type="text" value="2"/>	<input checked="" type="checkbox"/> Small Entity Statement			
<input checked="" type="checkbox"/> Drawing(s) Number of Sheets	<input type="text" value="1"/>	<input type="checkbox"/> Other (specify) <input type="text"/>			
METHOD OF PAYMENT OF FILING FEES FOR THIS PROVISIONAL APPLICATION FOR PATENT (check one)					
<input checked="" type="checkbox"/> A check or money order is enclosed to cover the filing fees			FILING FEE AMOUNT (\$)		
<input type="checkbox"/> The Commissioner is hereby authorized to charge filing fees or credit any overpayment to Deposit Account Number <input type="text"/>			<input type="text" value="75"/>		
The invention was made by an agency of the United States Government or under a contract with an agency of the United States Government.					
<input checked="" type="checkbox"/> No.					
<input type="checkbox"/> Yes, the name of the U.S. Government agency and the Government contract number are: _____					

Respectfully submitted,

SIGNATURE Matthew D. Ballouff  
Matthew D. Ballouff

**TYPED or PRINTED NAME**

650-965-3477

**TELEPHONE:** 425-241-4700 **FAX:** 425-241-4701 **E-MAIL:** [info@provo.org](mailto:info@provo.org)

DMW | 8/21/98

**REGISTRATION NO.**  
*(if appropriate)*  
**Docket Number:**

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PTO-850 (12-97)

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<p>Applicant, Patentee, or Identifier: _____</p> <p>Application or Patent No.: _____</p> <p>Filed or Issued: _____</p> <p>Title: <u>System designed to facilitate team buying.</u></p> <p>As a below named inventor, I hereby state that I qualify as an independent inventor as defined in 37 CFR 1.9(c) for purposes of paying reduced fees to the Patent and Trademark Office described in:</p> <p><input checked="" type="checkbox"/> the specification filed herewith with title as listed above.</p> <p><input type="checkbox"/> the application identified above.</p> <p><input type="checkbox"/> the patent identified above.</p> <p>I have not assigned, granted, conveyed, or licensed, and am under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention to any person who would not qualify as an independent inventor under 37 CFR 1.9(c) if that person had made the invention, or to any concern which would not qualify as a small business concern under 37 CFR 1.9(d) or a nonprofit organization under 37 CFR 1.9(e).</p> <p>Each person, concern, or organization to which I have assigned, granted, conveyed, or licensed or am under an obligation under contract or law to assign, grant, convey, or license any rights in the invention is listed below:</p> <p><input checked="" type="checkbox"/> No such person, concern, or organization exists.</p> <p><input type="checkbox"/> Each such person, concern, or organization is listed below.</p> <p>Separate statements are required from each named person, concern, or organization having rights to the invention stating their status as small entities. (37 CFR 1.27)</p> <p>I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 CFR 1.28(b))</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; padding: 5px;"> <u>Matthew G. Pallakoff</u>            NAME OF INVENTOR         </td> <td style="width: 33%; padding: 5px;"> <u>                                  </u>            NAME OF INVENTOR         </td> <td style="width: 33%; padding: 5px;"> <u>                                  </u>            NAME OF INVENTOR         </td> </tr> <tr> <td style="padding: 5px;"> <u>Matthew D. Pallakoff</u>            Signature of Inventor         </td> <td style="padding: 5px;"> <u>                                  </u>            Signature of Inventor         </td> <td style="padding: 5px;"> <u>                                  </u>            Signature of Inventor         </td> </tr> <tr> <td style="padding: 5px;"> <u>8/21/98</u>            Date         </td> <td style="padding: 5px;"> <u>                                  </u>            Date         </td> <td style="padding: 5px;"> <u>                                  </u>            Date         </td> </tr> </table>			<u>Matthew G. Pallakoff</u> NAME OF INVENTOR	<u>                                  </u> NAME OF INVENTOR	<u>                                  </u> NAME OF INVENTOR	<u>Matthew D. Pallakoff</u> Signature of Inventor	<u>                                  </u> Signature of Inventor	<u>                                  </u> Signature of Inventor	<u>8/21/98</u> Date	<u>                                  </u> Date	<u>                                  </u> Date
<u>Matthew G. Pallakoff</u> NAME OF INVENTOR	<u>                                  </u> NAME OF INVENTOR	<u>                                  </u> NAME OF INVENTOR									
<u>Matthew D. Pallakoff</u> Signature of Inventor	<u>                                  </u> Signature of Inventor	<u>                                  </u> Signature of Inventor									
<u>8/21/98</u> Date	<u>                                  </u> Date	<u>                                  </u> Date									

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Provisional Patent Application Specification - page 1

**Provisional Patent Application Specification**

Title: System designed to facilitate team buying.

INVENTOR: Pallakoff; Matthew G., Mountain View, CA  
Invented: Sept 28, 1998  
Submitted: August 21, 1998  
INT'L. CLASS (ed. 6): G06F 015/20  
U.S. CLASS: 705/023; 705/026; 380/049; 380/023; 380/025

Matthew G. Pallakoff  
456 Mountain Laurel Ct.  
Mountain View, CA 94043  
Tel: 650-965-3477

**ABSTRACT:** The present invention is a method and apparatus for effectuating multi-lateral seller-driven commerce. The present invention allows prospective sellers of goods and services to communicate conditional sale offers globally to potential buyers, where the conditions include requirements that at least some given number of buyers agree to purchase at least some given amount of the goods or services (optionally, by a given time and date); for potential buyers conveniently to agree to the terms of the offers; and for sellers potentially to bind buyers to a contract based on the sellers' offers when enough buyers have agreed to purchase enough of the offered goods and services to meet the conditions of the offer. In the preferred embodiment, the apparatus of the present invention includes a controller which receives conditional sale offers from prospective sellers. The controller makes conditional sale offers available globally to potential buyers. Potential buyers then have the option to agree to participate in any offers. This agreement is communicated back to the controller, which tracks how many potential buyers have agreed to participate in each offer, and how much of the offered goods or services the potential buyers have agreed to buy for that offer. In the preferred embodiment, potential buyers also provide billing and shipping information when they agree to participate in an offer. When the controller determines that enough people have agreed to purchase enough of the offered goods or services to meet a seller's conditions (and by the optional date and time limit specified by the seller) then the buyers and seller are bound to a contract. (The inventor informally refers to this process as "team buying" because, in essence, a "team" of buyers work together to buy up enough of a seller's offered goods or services for the seller's conditions to be met and for the deal to go through.) If a seller's optional date and time limit pass without enough buyers agreeing to buy enough of the offered goods or services to meet the seller's conditions, then the offer is normally cancelled. (Below we will discuss an embodiment of the invention that allows for multiple-level pricing, corresponding to different volumes of sales.) The method and apparatus of the present invention have applications on the Internet as well as conventional communications systems such as voice telephony and other communications systems such as two-way television (a.k.a. interactive television) and Web TV.

For example, a seller might offer to sell soccer balls at a great price if one or more buyers can agree to purchase at least 400 of the soccer balls (in aggregate) at the same time, with a time limit of noon next Tuesday. (E.g. "400 soccer balls for only \$8! Regular price is \$16!") With the present invention, the seller could communicate this offer globally (for example, on an Internet World Wide Web site, voice-message telephony system, Interactive TV network, or other communication system). Then potential buyers could start agreeing to purchase one or more soccer balls (communicating their agreement with, for example, Web-browsers, telephones, or other communication devices), contingent on the offer going through (i.e. contingent on all 400 soccer balls getting sold). One potential buyer might agree to buy six soccer balls, another just one ball, and so on. When potential buyers make this commitment, they will normally supply the billing and shipping information that will be needed to collect money and ship product if and when the deal goes through. In a preferred embodiment, sellers and potential buyers can see a running total of the number of soccer balls that potential buyers have agreed to purchase so far and/or how many people are participating. (For example, they might see a message like, "312 people already have agreed to buy 378 soccer balls! We just need commitments to buy 22 more soccer balls for the deal to go through. Tell your friends!") In this example, if and when some number of people have agreed to purchase a total of 400 soccer balls for \$8 each, and if that occurs prior to the date and time limit set by the seller, then the deal goes through so all the people who agreed to purchase soccer balls are bound to corresponding purchase contracts. At that point, the buyers can be charged or billed (either manually or using electronic methods common to mail-order and Internet commerce systems) and the items can be shipped.

## Provisional Patent Application Specification – page 2

If the seller sets a date and time limit, but not enough buyers agree to buy enough of the goods or services by the seller's date-and-time limit to meet the conditions set by the seller, then the transaction normally simply dissolves – no one is bound to any purchase agreement. However, an embodiment of this invention could allow sellers to offer potential buyers a richer set of options. For example, buyers could be given the option to purchase offered items at one price if a given number of people agree to the conditions and at a lower price if an even higher number agree. For example, a seller might offer soccer balls at \$12 if potential buyers agree to buy at least 200 balls (in aggregate) but fewer than 400 balls at that price by a given date, and at only \$8 if potential buyers agree to buy 400 or more balls by that date. The seller could specify whether potential buyers may participate only if they agree to the full multi-level deal, or whether they may participate even if they only want to agree to buy balls if over 400 balls in aggregate are sold (i.e. for potential buyers who only want to buy the balls if they can get them for \$8).

In some embodiments of this invention, sellers could specify different types of thresholds. For example, sellers could offer a special price if enough people agree to purchase exactly 500 units (in aggregate) of a given item (e.g. because the seller has exactly 500 units to sell). Or they could offer a special price if potential buyers agree to purchase ~~at least~~ 500 units (in aggregate) if the deal goes through (e.g. because the seller has more than 500 units available for sale).

An embodiment of the present invention could allow sellers to set both a minimum number of buyers as well as a minimum volume of goods or services sold, and allow the seller to set limits on the amount any one buyer could buy for a given offer. For example, a seller might offer 500 computer modems, and specify "maximum of two modems per person". Or a seller might offer 300 passes to an amusement park, requiring 300 individual buyers (rather than allowing more than one pass per any given buyer). Or a seller might offer 200 modems to up to 100 buyers (either without specific restrictions on the number each buyer could buy, or with a limit of, say, up to 5 modems each).

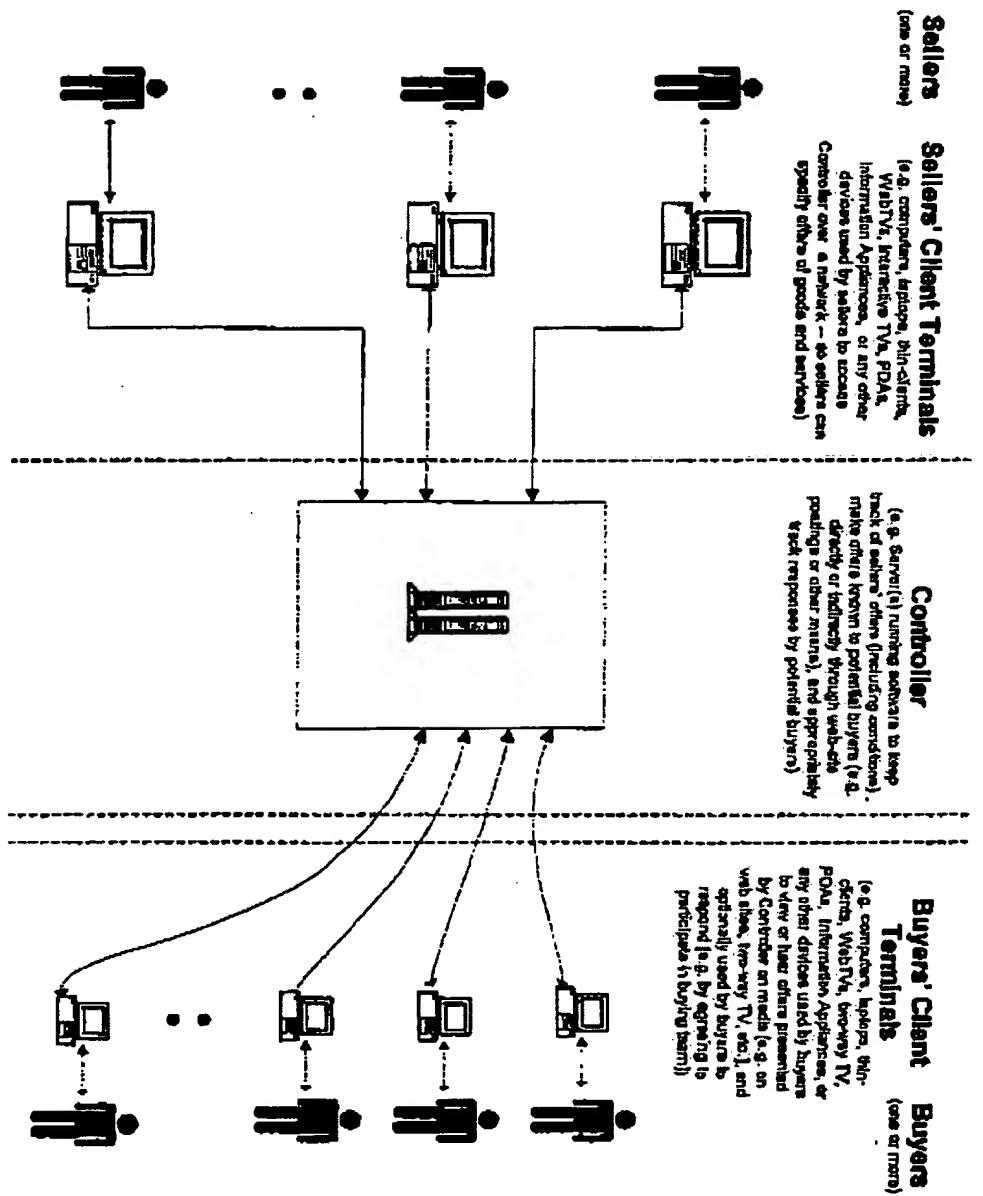
Embodiments of the present invention can allow sellers to offer services as well as goods. (e.g. "I'll wash 100 cars for \$5 each." Or "Our law firm will do incorporation work for 200 companies, at only \$1000 per company.")

An embodiment of the present invention could combine the present invention with other methods and apparatuses for commerce. For example, an embodiment of the present invention could combine the present invention with the "virtual store shelf" model described by the same inventor (Matthew G. Pallakoff) in the separate provisional patent application titled "Network system designed to facilitate offering, selling, and purchasing goods and services". In this embodiment, any given offer could be seen by many different potential buyers on many different media (for example, many different web-sites), and these potential buyers could team together – without necessarily knowing one another and without necessarily ever communicating directly with one another – to collectively agree to buy enough of the items for the seller's conditions to be met. In this way, the team-buying process would be distributed, and many owners and operators of media generators (e.g. web-site owners) could participate in making the offer known to potential buyers who consume their media (e.g. visit their web sites). (The phrase "media generators" is borrowed from the separate "Network system designed to facilitate offering, selling, and purchasing goods and services" provisional patent application.)

(A preferred embodiment of this invention will be on the Internet using standard computer tools used to build high-scale Internet-based services that include financial transactions. Several companies, including Microsoft Corporation, Netscape Communications, and Oracle, provide tools and documentation that are frequently used by programmers to implement high-scale web applications. A reasonably skilled programmer with access to these tools and documentation could follow the specifications described here and build an instance of the present invention.)

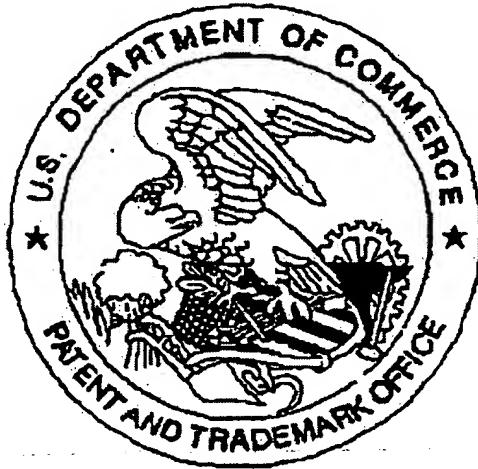
U.S. References include:  
Patent # 5794207 and the patents referenced by that patent.

## Drawing #1 System designed to facilitate team buying



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